

MONITORING PLAN

The success of the City's Consolidated Plan (2005-2009) and Annual Action Plan for 2005-2006 depends to a significant extent on effective monitoring in two areas:

1. Performance throughout the entire community on issues of affordable housing.
2. Compliance by the City and subrecipients on program objectives and requirements.

The lead agency for preparing the strategies outlined in the Consolidated Plan and for monitoring progress toward the accomplishment of these goals will be the City's Department of Community and Human Development. The Department is responsible for administering the City's annual Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), the HOME Investment Partnerships Grant, a Supportive Housing Program for Homeless Families with Children, two social service programs funded by Corporation for National Service, the federal volunteer agency, a federal Enterprise Community Program, and a federal Empowerment Zone Program.

The Department contracts annually with approximately 60 non-profit agencies which receive CDBG and ESG funds, and administers a Housing Rehabilitation Program with an annual budget of approximately \$6,000,000. The Department also is responsible for the development of the City's Tenant Assistance Policy and Displacement Strategy, and for monitoring compliance with these policies. The Housing Programs Division of the Department includes a Relocation Office staffed by a Relocation Officer responsible for assuring that tenants affected by government projects receive the full range of benefits to which they are entitled.

The Department will utilize and expand existing systems already in place to monitor the areas of program administration and regulatory compliance in order to meet the goals of the Consolidated Plan. The areas include: 1) program performance review, which comprises national objectives, eligible activities, contract objectives, scope of work, contract schedule, and contract budget; 2) financial management practices, which comprises the accounting system and internal controls; 3) record keeping and reporting practices; 4) general management practices; and 5) non-discrimination compliance. Area specific systems are utilized for housing rehabilitation, public facilities and infrastructure and public services.

In order to accurately monitor the community's performance in the area of affordable housing, the Department will request annual reports from agencies involved in the provision of housing, homeless assistance, and supportive assistance. Agencies will be asked to quantify to the extent possible the number of clients that have received benefits in new construction, rehabilitation, tenant assistance, and supportive services related to housing. Agencies will also be asked to categorize beneficiaries as extremely low, low, and moderate income. This reporting system is intended to improve coordination among the various housing participants in the community. Agencies will be

asked to identify federal, state and local funds which were received for affordable housing projects during the reporting period, provide the amount and purpose and estimate the number of recipients. This reporting system is designed to track community progress, and relates to projects over which the City will have no fiscal control. In order to assure the cooperation of other entities in this reporting process, it will be necessary to familiarize the community with the Consolidated Plan and its importance as a comprehensive planning tool. The initial step toward this goal is the citizen participation involved in the preparation of the Consolidated Plan.

A more structured and detailed system will be employed for assuring progress and program compliance for projects over which the City has fiscal control.

The first step in assuring compliance is to clarify, as early as possible in the funding process, the performance and production standards required and the methods that will be established to verify compliance. This requires analysis by the Department of the program requirements. For example, the HOME Program regulations require that funds related to rental housing projects are heavily targeted to moderate- and low-income families and that rents must be affordable. Prospective applicants would therefore be provided information about the actual income amounts addressed by the program, and be advised about the documentation that will be required to verify that tenants or prospective homebuyers meet these requirements. Requests for Proposals would also ask applicants to describe the marketing methods that they would use to target the very-low and low-income population, and applicants would be required to detail the projected rents and describe how the proposed rents meet the program affordability standards.

While HOME Program funds utilized for renter projects are heavily targeted to the lower income levels, the eligibility criterion for homeownership projects is broadened to include moderate-income clients. This differentiation between the eligibility criteria for the two different categories of projects would need to be addressed in the Request for Proposals. Applicants proposing to enter the field of homeownership would be asked to describe how they would assure that all families are below 80 percent of median income and are first-time homebuyers.

Once a project has been approved, the principal tool for assuring compliance is the contractual document. It is essential that the contracts set out the program requirements explicitly, provide clear methods for complying with these requirements and establish a control mechanism not only to monitor progress but also to assure compliance.

This control mechanism must also be related to the actual program requirements. HOME projects, for example, require that the rental units remain affordable for a specific period depending on the amount of HOME funds invested. In this case, a deed restriction requiring that the property be used for this purpose is appropriate. Deed restrictions would also be appropriate for new single-family construction to assure that the property remains in the affordable housing stock. Emergency Shelter Grants (ESG) for the homeless, on the other hand, require that facilities assisted with ESG funds be dedicated to the homeless activities for periods ranging from three to ten years. In this

case, the time requirement would be written into the grant/loan agreement between the City and the subrecipient, along with a description of how the City's funds would be recovered in case of default.

Contract documents must also delineate the type of documentation and reports required from the subrecipients. For example on Income Based Contracts, CDBG social service subrecipients must verify income eligibility by using the current applicable Income Guidelines published by HUD for lower income housing assistance under Section 8. The gross income of all family members residing in the household is considered for eligibility. The subrecipient is asked to provide in each client's file, a completed eligibility certification form at the start of the service and once a year subsequently.

Recipients of federal assistance through the City will also be required by contract to submit monthly performance reports, while the funding is being provided, and annual performance reports thereafter. In order to show fiscal responsibility, subrecipients who expend more than \$500,000 a year in federal awards are required to have a single audit of their activities performed through an independent auditor, while those who expend less than \$500,000 a year must have an external audit of their financial statements performed.

The Department has already established a process for monitoring compliance with a wide range of Federal and local rules which affect housing, including Fair Housing, Affirmative Marketing, Section 504/Handicapped Accessibility, Lead-Based Paint, Housing Quality Standards, and Davis Bacon wage rates, and Minority Business Outreach. The Department staff includes an ADA Accessibility Coordinator, a Fair Housing Officer, and a Contract Compliance Officer whose responsibility for advising subrecipients about appropriate requirements and monitoring compliance is extended to Consolidated Plan projects. Contract documents also include a description of all Federal and local rules that affect the respective projects.

The Department of Community and Human Development employs one Fiscal Monitor, who conducts a desktop review, and one Program Monitor and one Facilities Monitor, who both conduct on-site monitoring visits of CDBG and ESG subrecipients to determine compliance with contractual obligations relating to programmatic issues and facility usage respectively. Consolidated Plan projects are included in this monitoring schedule when appropriate. The monitors prepare formal reports and review responses to rectify any contract violations.

The Contract Compliance Section of the Department's Housing Programs Administration Division monitors housing projects. The CDBG Contract Administrator and one Grant Specialist conduct annual reviews to assure compliance with HOME funding regulations, including rent and income guidelines. Five Housing Construction Specialists also perform an annual monitoring of the housing projects to ensure compliance with housing quality standards.

These monitoring procedures assure the effectiveness of both the Consolidated Plan comprehensive planning process and the funds utilized to accomplish Consolidated Plan goals. The process also serves to assess the impact of the Consolidated Plan strategies and the use of federal and other resources toward the achievement of Consolidated Plan goals.